



General Assembly

January Session, 2003

Raised Bill No. 1004

LCO No. 3708

Referred to Committee on Select Committee on Housing

Introduced by:
(HSG)

***AN ACT CONCERNING THE REVITALIZATION AND
REDEVELOPMENT OF CERTAIN HOUSING PROJECTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section
2 and section 2 of this act:

3 (1) "Commissioner" means the Commissioner of Economic and
4 Community Development.

5 (2) "Disposition plan" means a plan developed to address the
6 disposition of a state-assisted housing development or a portion of a
7 state-assisted housing development, originally built prior to 1970,
8 which was developed by a local housing authority pursuant to part II
9 or part VI of chapter 128 of the general statutes.

10 (3) "Sponsor" means a local housing authority, the municipality in
11 which the subject development is located, a partnership comprised of
12 either public or private entities or other entity that is an eligible
13 developer under any state-assisted housing program.

14 (4) "Development" means a state-assisted housing development or a

15 portion of a state-assisted housing development, originally built prior
16 to 1970, which was developed by a local housing authority pursuant to
17 part II or VI of chapter 128 of the general statutes.

18 (5) "Local planning committee" means a committee appointed by the
19 chief elected official of the municipality in which a development is
20 located for the purpose of developing a disposition plan and that is
21 comprised of residents of the development, representatives of the
22 municipality in which the development is located, local community
23 leaders, including representatives of business, labor, education and
24 social services organizations, representatives of the Department of
25 Economic and Community Development and the Connecticut Housing
26 Finance Authority, representatives of the local housing authority and
27 any other persons the chief elected official deems necessary.

28 (b) Notwithstanding any provision of the general statutes, a
29 sponsor, in conjunction with a housing authority and in cooperation
30 with the Commissioner of Economic and Community Development,
31 may undertake the revitalization or redevelopment of a development
32 provided any funds received through the revitalization or
33 redevelopment are deposited with the commissioner to be used for
34 creation or preservation of housing, and the sponsor prepares a
35 disposition plan that meets the requirements of this subsection.

36 (1) The disposition plan shall include evidence the commissioner
37 deems sufficient that:

38 (A) The development is severely distressed or obsolete;

39 (B) The development is in a location that is no longer suitable for
40 housing;

41 (C) The development has design or construction deficiencies that
42 make cost-effective rehabilitation impractical;

43 (D) Even if reasonable rehabilitation and management intervention
44 for the development were to be completed and paid for, the

45 anticipated revenue that would be derived from charging market-
46 based rents in the development would not cover the anticipated
47 operating costs and replacement reserves of the development at
48 ninety-five per cent occupancy;

49 (E) Retention of the development is not in the best interests of the
50 residents of the development because (i) developmental changes in the
51 area surrounding the development adversely affect the health or safety
52 of the residents or the operation of the development, (ii) the sale or
53 lease will allow the acquisition, development or rehabilitation of other
54 properties, (iii) the existing units will be more efficiently or effectively
55 operated as mixed incoming housing, or (iv) other factors, as
56 determined by the commissioner, exist to make the sale or lease of the
57 development consistent with the best interests of the residents and the
58 state and not inconsistent with other provisions of this section;

59 (F) In the case of demolition of a portion of a development, the
60 demolition will help to ensure the remaining useful life of the
61 remainder of the development;

62 (G) A unit replacement formula or provisions for affordable housing
63 use within the municipality in which the development is located is
64 adequate.

65 (2) In the case of a housing use, the disposition plan shall include a
66 provision that the real property for which the plan was proposed, or
67 portion of such real property, remain affordable housing as defined in
68 section 8-39a of the general statutes for a period of at least thirty years
69 after the date of initial occupancy of units after the revitalization or
70 redevelopment, except that such requirement, at the discretion of the
71 commissioner, may be subordinated in the case of a subsequent first
72 mortgage of a governmental or quasi-governmental agency or for
73 purposes of a governmental program relating to such real property.

74 (3) In the case of a housing use, the disposition plan shall provide
75 that such housing shall, to the extent feasible, include a mixed income

76 population and that a portion of the units remain affordable as
77 provided under subdivision (2) of this subsection, except that such
78 requirement may be subordinated in the case of a subsequent first
79 mortgage of a governmental or quasi-governmental agency or a
80 requirement of a governmental program relating to said housing
81 development.

82 (4) In the case of a nonhousing use, the disposition plan shall
83 provide that the real property be used only for, or in conjunction with,
84 activities related to, or similar to, any program administered by the
85 commissioner pursuant to state or federal law; provided the activities
86 primarily benefit low and moderate income persons or families.

87 (c) The local housing authority may participate as a partner with the
88 designated sponsor in any disposition plan approved by the
89 commissioner and may, if agreed to by the sponsor and the housing
90 authority, provide such functions as maintenance, tenant selection,
91 billing, payroll and other related services. When the housing authority
92 enters into such an agreement with a sponsor, such services shall be
93 provided by employees of the housing authority.

94 Sec. 2. (*Effective from passage*) (a) A disposition plan created on or
95 after January 1, 2002, by a local planning committee, that provides for
96 the rehabilitation, reconstruction or reconfiguration of a development
97 and includes the demolition of some or all of the existing buildings in a
98 development and replaces them with fewer units of newly constructed
99 or rehabilitated housing shall comply with the replacement dwelling
100 requirements of this section, and shall not be subject to the
101 requirements of subdivision (1) of subsection (b) of section 8-37ll of the
102 general statutes provided the disposition plan complies with all other
103 applicable requirements of the general statutes concerning the
104 demolition and disposition of public housing, including, but not
105 limited to, section 8-64a of the general statutes and chapter 135 of the
106 general statutes.

107 (b) No disposition plan described in subsection (a) of this section

108 shall be implemented unless (A) the sponsor permits the tenants of the
109 existing buildings in the development to fully participate in the
110 planning, review and implementation process including the process
111 for the construction and lease or sale of replacement units, (B) the plan
112 provides reasonable funding with which the tenants can obtain the
113 services of professionals with expertise in tenant outreach, training and
114 organizing to achieve such participation and to protect the interests of
115 such tenants during the implementation of the plan, and (C) a
116 committee chosen by the residents of the development and comprised
117 of residents and others of their choosing has been created. The
118 committee established in subparagraph (C) of this subdivision shall
119 select the professional staff referred to in this subdivision, have access
120 to all information concerning the redevelopment process and be
121 permitted to participate in all meetings concerning such process.

122 (c) The sponsor, the Department of Economic and Community
123 Development, the municipality in which the development is located or
124 the local housing authority shall assure that the number of units of
125 assisted housing for low and moderate income households, upon
126 completion of the development under the disposition plan, shall be not
127 less than a ratio of ____ replacement units for every ____ units
128 demolished. The replacement units may be in the form of new
129 construction, rehabilitation, renovation, or federal Section 8 or state
130 rental assistance program rent subsidies, or any other assisted housing
131 program provided no rent subsidy shall constitute a replacement unit
132 unless it is a unit designated for home ownership for first time home
133 buyers or newly authorized voucher or certificate in addition to the
134 number of such vouchers or certificates authorized for the
135 administering authority on the effective date of this section. Unit
136 replacement requirements shall be completed within the time frames
137 established in the disposition plan and shall include all qualifying
138 units constructed from the inception of the local planning committee.
139 The number of replacement units of assisted housing for households
140 with income below the federal poverty level shall be consistent with
141 the intent of the disposition plan. The balance of units to be located on

142 site shall be constructed over a period of five years.

143 (d) The local housing authority shall hold a public hearing on the
144 housing disposition plan. At least thirty days prior to the public
145 hearing, the local housing authority shall provide a written notice to
146 each household in the development of the date, time, and place of the
147 public hearing. Such notice shall inform each household that the
148 housing disposition plan is on file and available for inspection at the
149 local housing authority's office.

150 (e) The commissioner may adopt regulations, in accordance with
151 chapter 54 of the general statutes, for the purpose of implementing this
152 section.

153 (f) The commissioner may provide funds, for the purpose of this
154 section, from bond funds authorized prior to the effective date of this
155 section, but not yet allocated.

156 Sec. 3. (NEW) (*Effective from passage*) (a) The housing authority of the
157 city of New Britain, in cooperation with the Commissioner of
158 Economic and Community Development, may revitalize or redevelop
159 the Corbin Heights, Corbin Heights extension, Pinnacle Heights and
160 Pinnacle Heights extension housing developments, in accordance with
161 the provisions of this section, if:

162 (1) The housing authority prepares a disposition plan;

163 (2) The housing authority holds at least one public hearing on the
164 proposed disposition plan; and

165 (3) The final disposition plan provides for some continued
166 affordable housing use within the city of New Britain.

167 (b) Notwithstanding any provision of the general statutes, (1) the
168 housing authority may, pursuant to the final disposition plan and with
169 the approval of the commissioner, sell, lease or transfer, or take any
170 combination of such actions, to a selected sponsor all or part of the

171 premises and buildings comprising the Corbin Heights, Corbin
172 Heights extension, Pinnacle Heights and Pinnacle Heights extension
173 housing developments, for a housing use, or (2) the housing authority
174 may, pursuant to the final disposition plan, sell or transfer, or take any
175 combination of such actions with regard to, the premises and buildings
176 comprising said housing developments, or any portion of said housing
177 developments, "as is" to the city of New Britain, with the approval of
178 the commissioner, or to an entity or entities designated and approved
179 by the city of New Britain and the commissioner, for such alternative
180 nonhousing uses as may be appropriate. As consideration for any such
181 sale, lease or transfer, or combination of such actions, the state may
182 cancel the outstanding notes and mortgages, including principal,
183 interest and late charges, owed by the housing authority to the state
184 with respect to said housing developments. The commissioner may
185 also extend, renegotiate or modify, in whole or in part, the outstanding
186 notes and mortgages and grants which are owed or provided to the
187 housing authority with respect to said housing developments and
188 assign or transfer such notes, mortgages and grants, in whole or in
189 part, to another sponsor, if such action by the commissioner will assist
190 in the redevelopment of housing on all or part of said housing
191 developments. The selection of a sponsor by the commissioner and the
192 housing authority under subdivision (1) of this subsection to carry out
193 all or a portion of the provisions of this section for a housing use shall
194 be made on a competitive basis, from proposals solicited and
195 submitted before or after the effective date of this section. Any
196 proceeds from the sale of a housing development for a nonhousing use
197 under this subdivision shall be used for the planning, administration,
198 revitalization or redevelopment of the housing planned at said
199 developments and shall be deemed to be part of the state's
200 contribution to the implementation of the disposition plan.

201 (c) The commissioner and the housing authority, or its designated
202 sponsor, may sell or rent any housing units developed at the Corbin
203 Heights, Corbin Heights extension, Pinnacle Heights and Pinnacle
204 Heights extension housing developments under this section only to

205 families who meet minimum qualifying standards. Eligible residents of
206 said developments shall have priority over other families for the
207 purchase or rental of available housing units. If the number of eligible
208 residents desiring to purchase or rent a housing unit is greater than the
209 number of housing units available, the commissioner and the housing
210 authority may devise an equitable system, by lottery or otherwise, for
211 determining which prior residents shall be permitted to purchase or
212 rent. For purposes of this section "eligible resident" means a family
213 residing in a housing development on or after January 1, 2002.

214 (d) The sale or rental of housing units under subsection (c) of this
215 section to families of low and moderate income shall be subject to deed
216 restrictions approved by the commissioner which shall require that, for
217 thirty years:

218 (1) At the time of any subsequent purchase or rental of any such
219 housing units by new owners or tenant families, the owners or families
220 shall be families of low and moderate income;

221 (2) The resale price of each housing unit shall be limited to its
222 original purchase price, adjusted for inflation and improvements to the
223 housing unit, as determined by the commissioner; and

224 (3) The rental price for each rental housing unit shall not exceed the
225 current fair market rents for the area established by the United States
226 Department of Housing and Urban Development.

227 (e) The Departments of Economic and Community Development
228 and Social Services, the Connecticut Housing Finance Authority, the
229 housing authority and the sponsor shall reasonably assist eligible
230 residents to meet all qualifying conditions for the purchase or rental of
231 housing units under subsection (c) of this section, including, but not
232 limited to:

233 (1) Linking eligible residents to public or private mortgage and
234 down payment assistance programs;

235 (2) Linking eligible residents to state or federal rental assistance; and

236 (3) Engaging in other reasonable actions to make it possible for
237 eligible residents to purchase or rent such housing units.

238 (f) Notwithstanding any provision of the general statutes, the
239 commissioner may, from the proceeds of any sale, lease or transfer, or
240 any combination of such actions, under subsection (b) of this section,
241 within available appropriations or within available bond
242 authorizations and bond fund consolidations, as provided in section
243 29 of special act 95-20, as amended by this act, section 9 of special act
244 97-1 of the June 5 special session, as amended by this act, section 28 of
245 special act 97-1 of the June 5 special session, as amended by section 76
246 of special act 98-9 and this act, and section 9 of public act 99-242, as
247 amended by this act, do all things necessary to carry out the provisions
248 of this section, including, but not limited to:

249 (1) Entering into contracts and agreements for the provision of
250 services, including, but not limited to, the services obtained pursuant
251 to subsection (b) of section 2 of this act;

252 (2) Securing federal funds or program participation;

253 (3) Providing for relocation assistance in accordance with the
254 Uniform Relocation Assistance Act and other applicable laws
255 regarding the displacement of tenants;

256 (4) Providing for the payment or reimbursement to the Department
257 of Economic and Community Development for the administrative
258 expenses of said department in carrying out the purposes of this
259 section; and

260 (5) Acting as an eligible developer, as defined in section 8-39 of the
261 general statutes, if necessary, in the event of a default.

262 Sec. 4. Section 29 of special act 95-20 is amended to read as follows
263 (*Effective from passage*):

264 The proceeds of the sale of said bonds shall be used by the
265 Department of Housing for the purposes hereinafter stated:

266 Housing development and rehabilitation, including moderate cost
267 housing, moderate rental, congregate and elderly housing, urban
268 homesteading, community housing development corporations,
269 housing purchase and rehabilitation (no more than \$10,000,000 of the
270 total), housing for the homeless, housing for low income persons,
271 limited equity cooperatives and mutual housing projects, removal and
272 abatement of hazardous material, including asbestos and lead-based
273 paint in residential structures, emergency repair assistance for senior
274 citizens, housing land bank and land trust, housing and community
275 development, predevelopment grants and loans, reimbursement for
276 state and federal surplus property, private rental investment mortgage
277 and equity program, housing infrastructure, septic system repair loan
278 program, acquisition and related rehabilitation, the purposes of
279 sections 1 to 3, inclusive, of this act, and participation in federal
280 programs, including administrative expenses associated with those
281 programs eligible under the general statutes, not exceeding
282 \$40,000,000.

283 Sec. 5. Section 9 of special act 97-1 of the June 5 special session is
284 amended to read as follows (*Effective from passage*):

285 The proceeds of the sale of said bonds shall be used by the
286 Department of Economic and Community Development for the
287 purposes hereinafter stated:

288 Housing development and rehabilitation, including moderate cost
289 housing, moderate rental, congregate and elderly housing, urban
290 homesteading, community housing development corporations,
291 housing purchase and rehabilitation (no more than \$10,000,000 of the
292 total), housing for the homeless, housing for low income persons,
293 limited equity cooperatives and mutual housing projects, removal and
294 abatement of hazardous material including asbestos and lead-based
295 paint in residential structures (no more than \$2,500,000 of the total),

296 emergency repair assistance for senior citizens, housing land bank and
297 land trust, housing and community development, predevelopment
298 grants and loans, reimbursement for state and federal surplus
299 property, private rental investment mortgage and equity program,
300 housing infrastructure, septic system repair loan program, acquisition
301 and related rehabilitation, the purposes of sections 1 to 3, inclusive, of
302 this act, and participation in federal programs, including
303 administrative expenses associated with those programs eligible under
304 the general statutes, not exceeding \$18,000,000.

305 Sec. 6. Section 28 of special act 97-1 of the June 5 special session, as
306 amended by section 76 of special act 98-9, is amended to read as
307 follows (*Effective from passage*):

308 The proceeds of the sale of said bond shall be used by the
309 Department of Economic and Community Development for the
310 purposes hereinafter stated:

311 Housing development and rehabilitation, including moderate cost
312 housing, moderate rental, congregate and elderly housing, urban
313 homesteading, community housing development corporations,
314 housing purchase and rehabilitation (no more than \$10,000,000 of the
315 total), housing for the homeless, housing for low income persons,
316 limited equity cooperatives and mutual housing projects, removal and
317 abatement of hazardous material including asbestos and lead-based
318 paint in residential structures (no more than \$2,500,000 of the total),
319 emergency repair assistance for senior citizens, housing land bank and
320 land trust, housing and community development, predevelopment
321 grants and loans, reimbursement for state and federal surplus
322 property, private rental investment mortgage and equity program,
323 housing infrastructure, septic system repair loan program, acquisition
324 and related rehabilitation, the purposes of sections 1 to 3, inclusive, of
325 this act, and participation in federal programs, including
326 administrative expenses associated with those programs eligible under
327 the general statutes, not exceeding \$20,000,000.

328 Sec. 7. Section 9 of public act 99-242 is amended to read as follows
329 (*Effective from passage*):

330 The proceeds of the sale of said bonds shall be used by the
331 Department of Economic and Community Development for the
332 purposes hereinafter stated:

333 Housing development and rehabilitation, including moderate cost
334 housing, moderate rental, congregate and elderly housing, urban
335 homesteading, community housing development corporations,
336 housing purchase and rehabilitation, housing for the homeless,
337 housing for low income persons, limited equity cooperatives and
338 mutual housing projects, abatement of hazardous material including
339 asbestos and lead-based paint in residential structures, emergency
340 repair assistance for senior citizens, housing land bank and land trust,
341 housing and community development, predevelopment grants and
342 loans, reimbursement for state and federal surplus property, private
343 rental investment mortgage and equity program, housing
344 infrastructure, septic system repair loan program, acquisition and
345 related rehabilitation, loan guarantees for private developers of rental
346 housing for the elderly, the purposes of sections 1 to 3, inclusive, of
347 this act, and participation in federal programs, including
348 administrative expenses associated with those programs eligible under
349 the general statutes, not exceeding \$5,000,000.

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|--|---------------------|
| This act shall take effect as follows: | |
| Section 1 | <i>from passage</i> |
| Sec. 2 | <i>from passage</i> |
| Sec. 3 | <i>from passage</i> |
| Sec. 4 | <i>from passage</i> |
| Sec. 5 | <i>from passage</i> |
| Sec. 6 | <i>from passage</i> |
| Sec. 7 | <i>from passage</i> |

Statement of Purpose:

To allow for the revitalization and redevelopment of certain state-assisted housing developments.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]